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SENATE BILL

No. 437

Introduced by Senator Escutia

(Principal coauthors: Senators Alquist, Migden, and Perata)

~~(Principal coauthor: Assembly Member Chan)~~

**(Coauthors: Senators Chesbro, Ducheny, Figueroa, Kuehl,
Romero, and Torlakson)**

(Coauthors: Assembly Members Dymally, Jones, Laird, and Pavley)

February 17, 2005

~~An act to amend Sections 12693.70, 12693.98, 12693.981, 12699.51, and 12699.52 of, and to add Sections 12699.64, 12699.65, and 12699.66 to, and to add Chapter 17 (commencing with Section 12694) to Part 6.2 of Division 2 of, the Insurance Code, and to amend Section 14011.65 of, and to add Section 14067.3 to, the Welfare and An act to amend Section 12693.70 of, to add Sections 12693.98a and 12694 to, and to amend and repeal Section 12693.98 of, the Insurance Code, and to amend Section 14011.65 of, to add Section 14012.5 to,~~

and to add and repeal Section 14011.65a of, the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 437, as amended, Escutia. Health care coverage.

(1) Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other requirements.

~~This bill would create the California Healthy Kids Insurance Program, which would consist of the portion of the Medi-Cal program that provides health care coverage to persons under 21 years of age and the Healthy Families Program. The bill would require that the California Healthy Kids Insurance Program be operated by the State Department of Health Services and the Managed Risk Medical Insurance Board and would deem persons enrolled in this program if enrolled in the Medi-Cal program or the Healthy Families Program. The bill would require the board and the department, in collaboration with other specified parties, including local agencies that administer the Medi-Cal program, to design, implement, and promulgate policies and procedures for an automated enrollment gateway system within the California Healthy Kids Insurance Program to perform designated functions. The bill would also require the board and the department to establish a simplified annual renewal form for enrollees in the Healthy Families Program and the Medi-Cal program. The bill would require the California Healthy Kids Insurance Program to educate families about, and enroll individuals in, the most beneficial Healthy Families Program or Medi-Cal program component and to promote voluntary participation by employers in providing health care coverage to employees' children. By requiring counties, as administrators of the Medi-Cal program, to collaborate on the automated enrollment gateway system, the bill would increase their duties, thereby imposing a state-mandated local program declare the intent of the Legislature that all children in the state have health care coverage by December 1, 2010.~~

(2) Existing law creates the Medi-Cal-to-Healthy Families Bridge Benefits Program (Medi-Cal Bridge Program) ~~and the Healthy Families-to-Medi-Cal Bridge Benefits Program (Healthy Families Bridge Program)~~ that are, *which is* administered by the Managed Risk Medical Insurance Board as part of the Healthy Families Program, and continuously appropriates the Healthy Families Fund to the board for purposes of the Healthy Families Program. Under existing law, the Medi-Cal Bridge Program provides a child who meets specified eligibility requirements, including having a family income at or below 200% of the federal poverty level, one calendar month of health care benefits while applying for the Healthy Families Program, ~~and the Healthy Families Bridge Program provides a person who meets certain eligibility requirements 2 calendar months of health care benefits while applying for the Medi-Cal program.~~

~~This bill would delete the family income eligibility requirement under the Medi-Cal Bridge Program and would delete the time limit for benefits under both bridge programs, providing health care benefits under the Medi-Cal Bridge Program and the Healthy Families Bridge Program, if federal financial participation is available, and the Healthy Families Program has sought and obtained federal approval, would cease implementation of the Medi-Cal Bridge Program and instead would provide for presumptive eligibility benefits until the person's eligibility for the Healthy Families Program or the Medi-Cal program, respectively, has been determined by the board. This bill would require the board or department to enroll an eligible person in the Healthy Families Program or the Medi-Cal program and to terminate presumptive eligibility benefits under the bridge programs for ineligible persons. The bill would provide that the board may implement these provisions only to the extent that funds are appropriated for these purposes in the annual Budget Act or in another statute.~~

The bill, by January 1, 2008, would require the board to implement processes for the self-certification of income by Healthy Families applicants, as specified.

(3) Existing law, the California Special Supplemental Food Program for Women, Infants, and Children (WIC), authorizes establishment of a statewide program, administered by the State Department of Health Services, for providing nutritional food supplements to low-income pregnant women, low-income postpartum and lactating women, and low-income infants and children under 5

years of age, who have been determined to be at nutritional risk. The program, which implements a program authorized under existing federal law, provides for the redemption of nutrition coupons by recipients at any authorized retail food vendor.

This bill would require the Managed Risk Medical Insurance Board and the State Department of Health Services, in collaboration with WIC Program offices and other designated entities, to design, promulgate, and implement policies and procedures for an automated enrollment gateway system to obtain presumptive eligibility for, and to facilitate application for enrollment in, the Medi-Cal program and the Healthy Families Program for children applying to the WIC Program. The bill would require the department to seek approval of any amendment to the state plan required to implement these provisions, and would require that all necessary approvals be obtained before the provisions are implemented. It would also provide for modifications in WIC program eligibility requirements.

~~(3) Existing law creates the County Health Initiative Matching Fund, which is administered by the Managed Risk Medical Insurance Board, and authorizes a local entity, as specified, to apply to the board for funding to provide health care coverage to persons who meet specified criteria.~~

~~This bill would establish the Local Children's Health Insurance Program Interim Account within this fund. The bill would make the board responsible for administering the account and would authorize a local children's health insurance program, as defined, to apply to the board for funding to pay the premium cost of health care coverage for children meeting specified criteria.~~

(4) Existing law requires the state, to the extent authorized by federal law, to administer the Medi-Cal to Healthy Families Acceleration Accelerated Enrollment Program. Under existing law, the program provides temporary health benefits for a child who meets specified eligibility requirements, including being eligible for full scope Medi-Cal with a share of cost and consenting to sharing specified information with the Healthy Families Program.

~~This bill would increase the number of children eligible under this program by deleting these cease implementation of this program, and instead would establish the Medi-Cal to Healthy Families Presumptive Eligibility Program, with revised eligibility requirements. Because the bill would thereby increase duties performed by counties relative to their administration of the Medi-Cal program, it would~~

~~impose a state-mandated local program~~ *The bill would provide presumptive eligibility benefits for qualifying children until the last day of the month of the child's effective date of Healthy Families coverage, or determination of ineligibility. The bill would make these provisions inoperative 3 years after the Director of Health Services executes a declaration relating to the statewide implementation of the presumptive eligibility program, at which time implementation of the Medi-Cal to Healthy Families Accelerated Enrollment Program would resume.*

~~(5) Existing law requires the State Department of Health Services, in conjunction with the Managed Risk Medical Insurance Board, to develop and conduct a program to assist families to apply for the Medi-Cal program and the Healthy Families Program.~~

~~This bill would authorize a county to submit an outreach, enrollment, and retention plan, meeting specified criteria, to the department for the purpose of promoting children's enrollment and utilization of state public health care coverage programs. The bill would require the department to maintain an allocation program to manage and fund those plans. The bill would specify that funding for the allocation program would be provided in the annual Budget Act or other statute.~~

This bill would authorize the State Department of Health Services, by July 1, 2007, to implement a process for self-certification of the amount and nature of assets and income of Medi-Cal applicants and beneficiaries without submitting income or asset documentation, as specified, to the extent federal financial participation is available. The bill would prohibit implementation of these provisions if Proposition 86 is approved by the voters at the November 7, 2006, statewide general election, except as specified.

~~(5) This bill would authorize the Managed Risk Medical Insurance Board to adopt emergency regulations to implement the bill, as specified.~~

~~(6) This bill would provide that it shall be implemented only to the extent that funds for its purposes are appropriated in the annual Budget Act or another statute.~~

~~(7) Because counties are responsible for making eligibility determinations under the Healthy Families Program and the Medi-Cal program, by revising eligibility requirements for these programs, this bill would impose a state-mandated local program.~~

~~(6)~~

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 *SECTION 1. It is the intent of the Legislature that by*
2 *December 1, 2010, all children in the state shall have health care*
3 *coverage.*

4 *SEC. 2. Section 12693.70 of the Insurance Code, as amended*
5 *by Section 42 of Chapter 74 of the Statutes of 2006, is amended*
6 *to read:*

7 12693.70. To be eligible to participate in the program, an
8 applicant shall meet all of the following requirements:

9 (a) Be an applicant applying on behalf of an eligible child,
10 which means a child who is all of the following:

11 (1) Less than 19 years of age. An application may be made on
12 behalf of a child not yet born up to three months prior to the
13 expected date of delivery. Coverage shall begin as soon as
14 administratively feasible, as determined by the board, after the
15 board receives notification of the birth. However, no child less
16 than 12 months of age shall be eligible for coverage until 90 days
17 after the enactment of the Budget Act of 1999.

18 (2) Not eligible for no-cost full-scope Medi-Cal or Medicare
19 coverage at the time of application.

20 (3) In compliance with Sections 12693.71 and 12693.72.

21 (4) A child who meets citizenship and immigration status
22 requirements that are applicable to persons participating in the
23 program established by Title XXI of the Social Security Act,
24 except as specified in Section 12693.76.

25 (5) A resident of the State of California pursuant to Section
26 244 of the Government Code; or, if not a resident pursuant to
27 Section 244 of the Government Code, is physically present in

1 California and entered the state with a job commitment or to seek
2 employment, whether or not employed at the time of application
3 to or after acceptance in, the program.

4 (6) (A) In either of the following:

5 (i) In a family with an annual or monthly household income
6 equal to or less than 200 percent of the federal poverty level.

7 (ii) When implemented by the board, subject to subdivision (b)
8 of Section 12693.765 and pursuant to this section, a child under
9 the age of two years who was delivered by a mother enrolled in
10 the Access for Infants and Mothers Program as described in Part
11 6.3 (commencing with Section 12695). Commencing July 1,
12 2007, eligibility under this subparagraph shall not include infants
13 during any time they are enrolled in employer-sponsored health
14 insurance or are subject to an exclusion pursuant to Section
15 12693.71 or 12693.72, or are enrolled in the full-scope of
16 benefits under the Medi-Cal program at no share of cost. For
17 purposes of this clause, any infant born to a woman whose
18 enrollment in the Access for Infants and Mothers Program begins
19 after June 30, 2004, shall be automatically enrolled in the
20 Healthy Families Program, except during any time on or after
21 July 1, 2007, that the infant is enrolled in employer-sponsored
22 health insurance or is subject to an exclusion pursuant to Section
23 12693.71 or 12693.72, or is enrolled in the full-scope of benefits
24 under the Medi-Cal program at no share of cost. Except as
25 otherwise specified in this section, this enrollment shall cover the
26 first 12 months of the infant's life. At the end of the 12 months,
27 as a condition of continued eligibility, the applicant shall provide
28 income information. The infant shall be disenrolled if the gross
29 annual household income exceeds the income eligibility standard
30 that was in effect in the Access for Infants and Mothers Program
31 at the time the infant's mother became eligible, or following the
32 two-month period established in Section 12693.981 if the infant
33 is eligible for Medi-Cal with no share of cost. At the end of the
34 second year, infants shall again be screened for program
35 eligibility pursuant to this section, with income eligibility
36 evaluated pursuant to clause (i), subparagraphs (B) and (C), and
37 paragraph (2) of subdivision (a).

38 (B) All income over 200 percent of the federal poverty level
39 but less than or equal to 250 percent of the federal poverty level

1 shall be disregarded in calculating annual or monthly household
2 income.

3 (C) In a family with an annual or monthly household income
4 greater than 250 percent of the federal poverty level, any income
5 deduction that is applicable to a child under Medi-Cal shall be
6 applied in determining the annual or monthly household income.
7 If the income deductions reduce the annual or monthly household
8 income to 250 percent or less of the federal poverty level,
9 subparagraph (B) shall be applied.

10 (b) The applicant shall agree to remain in the program for six
11 months, unless other coverage is obtained and proof of the
12 coverage is provided to the program.

13 (c) An applicant shall enroll all of the applicant's eligible
14 children in the program.

15 (d) In filing documentation to meet program eligibility
16 requirements, if the applicant's income documentation cannot be
17 provided, as defined in regulations promulgated by the board, the
18 applicant's signed statement as to the value or amount of income
19 shall be deemed to constitute verification.

20 (e) An applicant shall pay in full any family contributions
21 owed in arrears for any health, dental, or vision coverage
22 provided by the program within the prior 12 months.

23 (f) *By January 2008, the board, in consultation with*
24 *stakeholders, shall implement processes by which applicants for*
25 *subscribers may certify income at the time of annual eligibility*
26 *review, including rules concerning which applicants shall be*
27 *permitted to certify income and the circumstances in which*
28 *supplemental information or documentation may be required.*
29 *The board may terminate using these processes not sooner than*
30 *90 days after providing notification to the Chair of the Joint*
31 *Legislative Budget Committee. This notification shall articulate*
32 *the specific reasons for the termination and shall include all*
33 *relevant data elements that are applicable to document the*
34 *reasons for the termination. Upon the request of the Chair of the*
35 *Joint Legislative Budget Committee, the board shall promptly*
36 *provide any additional clarifying information regarding*
37 *implementation of the processes required by this subdivision.*

38 SEC. 3. Section 12693.98 of the Insurance Code is amended
39 to read:

1 12693.98. (a) (1) The Medi-Cal-to-Healthy Families Bridge
2 Benefits Program is hereby established to provide any child who
3 meets the criteria set forth in subdivision (b) with a one
4 calendar-month period of health care benefits in order to provide
5 the child with an opportunity to apply for the Healthy Families
6 Program established under Chapter 16 (commencing with
7 Section 12693).

8 (2) The Medi-Cal-to-Healthy Families Bridge Benefits
9 Program shall be administered by the board *and the State*
10 *Department of Health Services*.

11 (b) (1) Any child who meets all of the following requirements
12 shall be eligible for one calendar month of Healthy Families
13 benefits funded by Title XXI of the Social Security Act, known
14 as the State Children's Health Insurance Program:

15 (A) He or she has been receiving, but is no longer eligible for,
16 full-scope Medi-Cal benefits without a share of cost.

17 (B) He or she is eligible for full-scope Medi-Cal benefits with
18 a share of cost.

19 (C) He or she is under 19 years of age at the time he or she is
20 no longer eligible for full-scope Medi-Cal benefits without a
21 share of cost.

22 (D) He or she has family income at or below 200 percent of
23 the federal poverty level.

24 (E) He or she is not otherwise excluded under the definition of
25 ~~targeted~~ "*targeted* low-income-~~child~~ *child*" under subsections
26 (b)(1)(B)(ii), (b)(1)(C), and (b)(2) of Section 2110 of the Social
27 Security Act (42 U.S.C. Secs. 1397jj(b)(1)(B)(ii),
28 1397jj(b)(1)(C), and 1397jj(b)(2)).

29 (2) The one calendar month of benefits under this chapter shall
30 begin on the first day of the month following the last day of the
31 receipt of benefits without a share of cost.

32 (c) The income methodology for determining a child's family
33 income, as required by paragraph (1) of subdivision (b) shall be
34 the same methodology used in determining a child's eligibility
35 for the full scope of Medi-Cal benefits.

36 (d) The one calendar-month period of Healthy Families
37 benefits provided under this chapter shall be identical to the
38 scope of benefits that the child was receiving under the Medi-Cal
39 program without a share of cost.

(e) The one calendar-month period of Healthy Families benefits provided under this chapter shall only be made available through a Medi-Cal provider or under a Medi-Cal managed care arrangement or contract.

(f) Except as provided in subdivision (j), nothing in this section shall be construed to provide Healthy Families benefits for more than a one calendar-month period under any circumstances, including the failure to apply for benefits under the Healthy Families Program or the failure to be made aware of the availability of the Healthy Families Program, unless the circumstances described in subdivision (b) reoccur.

(g) (1) This section shall become operative on the first day of the second month following the effective date of this section, subject to paragraph (2).

(2) Under no circumstances shall this section become operative until, and shall be implemented only to the extent that, all necessary federal approvals, including approval of any amendments to the State Child Health Plan have been sought and obtained and federal financial participation under the federal State Children's Health Insurance Program, as set forth in Title XXI of the Social Security Act, has been approved.

(h) This section shall become inoperative if an unappealable court decision or judgment determines that any of the following apply:

(1) The provisions of this section are unconstitutional under the United States Constitution or the California Constitution.

(2) The provisions of this section do not comply with the State Children's Health Insurance Program, as set forth in Title XXI of the Social Security Act.

(3) The provisions of this section require that the health care benefits provided pursuant to this section are required to be furnished for more than two calendar months.

(i) If the State Child Health Insurance Program waiver described in Section 12693.755 is approved, and at the time the waiver is implemented, the benefits described in this section shall also be available to persons who meet the eligibility requirements of the program and are parents of, or, as defined by the board, adults responsible for, children enrolled to receive coverage under this part or enrolled to receive full scope Medi-Cal services with no share of cost.

1 (j) The one month of benefits provided in this section shall be
2 increased to two months commencing on implementation of the
3 waiver referred to in Section 12693.755.

4 (k) *This section shall cease to be implemented on the date that*
5 *the Director of Health Services executes a declaration stating*
6 *that implementation of the Healthy Families Presumptive*
7 *Eligibility Program established pursuant to Section 12693.98a*
8 *has commenced, and as of that date is repealed.*

9 SEC. 4. Section 12693.98a is added to the Insurance Code, to
10 read:

11 12693.98a. (a) (1) *The Healthy Families Presumptive*
12 *Eligibility Program is hereby established to provide any child*
13 *who meets the criteria set forth in subdivision (b) with*
14 *presumptive eligibility benefits until the board has determined*
15 *the child's eligibility for the Healthy Families Program.*

16 (2) *The Healthy Families Presumptive Eligibility Program*
17 *shall be administered by the board.*

18 (b) (1) *Any child who meets both of the following*
19 *requirements shall be eligible for presumptive eligibility benefits*
20 *under the Healthy Families Presumptive Eligibility Program:*

21 (A) *He or she has been receiving, but is no longer eligible for,*
22 *full-scope Medi-Cal benefits without a share of cost, or he or she*
23 *is eligible for full-scope Medi-Cal benefits with a share of cost.*

24 (B) *He or she otherwise appears to meet the Income eligibility*
25 *criteria for the Healthy Families Program.*

26 (2) *The presumptive eligibility benefits under this section shall*
27 *begin on the first day of the month following the last day of the*
28 *receipt of Medi-Cal benefits without a share of cost. Presumptive*
29 *eligibility benefits under this section shall terminate at the end of*
30 *the month in which a child's effective date in the Healthy*
31 *Families program begins or the end of the month in which the*
32 *board determines that the child is not eligible for the Healthy*
33 *Families Program. If the board determines that the child is*
34 *eligible for the Healthy Families Program, the board shall enroll*
35 *the child in the Healthy Families Program without an*
36 *interruption in coverage. If the board determines that the child is*
37 *ineligible for the Healthy Families Program, the board shall*
38 *terminate the child's benefits under the Healthy Families*
39 *Presumptive Eligibility Program.*

1 (c) The income methodology for determining a child's family
2 income for the purposes of the Healthy Families Presumptive
3 Eligibility Program, as required by paragraph (1) of subdivision
4 (b), shall be the same methodology used in determining a child's
5 eligibility for the full scope of Medi-Cal benefits.

6 (d) The scope of presumptive eligibility benefits provided
7 under the Healthy Families Presumptive Eligibility Program
8 shall be identical to the scope of benefits that the child was
9 receiving under the Medi-Cal program without a share of cost.

10 (e) The presumptive eligibility benefits provided under this
11 section shall only be made available through a Medi-Cal
12 provider or under a Medi-Cal managed care arrangement or
13 contract.

14 (f) When an application is forwarded by the county to the
15 Healthy Families Program, the county shall send the application
16 to the Healthy Families Program via an electronic application
17 format defined by the department, provided that the department
18 has implemented the automated interfaces necessary to
19 accomplish electronic submission of applications from the county
20 to the Healthy Families Program without requiring duplicative
21 data entry by the county. The transmission of the electronic
22 application to the Healthy Families Program shall occur within
23 the timeframes designated by the department.

24 (g) To the extent necessary, the department and the board may
25 exchange a child's case file solely for the purpose of determining
26 the child's eligibility for the Medi-Cal program or the Healthy
27 Families Program, without requiring the family's consent, to the
28 extent allowed by federal law. Any information, including the
29 child's case file, shall be kept confidential by the department and
30 the board pursuant to state and federal law, and it shall be used
31 only for the determination or continuation of eligibility.

32 (h) Notwithstanding Chapter 3.5 (commencing with Section
33 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
34 the department shall implement this section by means of
35 all-county letters or similar instructions, without taking any
36 further regulatory action. Thereafter, the department may adopt
37 regulations, as necessary, to implement this section in
38 accordance with the requirements of Chapter 3.5 (commencing
39 with Section 11340) of Part 1 of Division 3 of Title 2 of the
40 Government Code.

1 (i) *This section shall be implemented when the state has*
2 *sought and obtained approval of any amendments to its state*
3 *plan necessary to implement the changes to this section, pursuant*
4 *to this act, and has obtained funding under Title XXI of the*
5 *Social Security Act (42 U.S.C. Sec. 1397aa et seq.) for the*
6 *provision of benefits under this section. Until the changes to this*
7 *section, made by this act, are implemented, the Medi-Cal to*
8 *Healthy Families Bridge Program established pursuant to*
9 *Section 12693.98 shall remain in effect. Notwithstanding any*
10 *other provision of law, and only when all necessary federal*
11 *approvals have been obtained by the state, this section shall be*
12 *implemented only to the extent federal financial participation*
13 *under Title XXI of the Social Security Act (42 U.S.C. Sec. 1397aa*
14 *et seq.) is available to fund benefits provided under this section.*

15 (j) *Upon implementation of the Healthy Families Presumptive*
16 *Eligibility Program pursuant to this section, the Director of*
17 *Health Services shall execute a declaration, which shall be*
18 *retained by the director, stating that implementation of the*
19 *section has commenced.*

20 SEC. 5. *Section 12694 is added to the Insurance Code, to*
21 *read:*

22 12694. (a) *The board and the department, in collaboration*
23 *with program offices for the California Special Supplemental*
24 *Food Program for Women, Infants, and Children (WIC or the*
25 *WIC Program), local WIC agencies, counties in their capacity of*
26 *making Medi-Cal eligibility determinations, advocates,*
27 *information technology specialists, and other stakeholders, shall*
28 *design, promulgate, and implement policies and procedures for*
29 *an automated enrollment gateway system developed by the*
30 *department and the board that performs, but is not limited to*
31 *performing, the following functions:*

32 (1) *To the extent that federal financial participation is*
33 *available, allowing children applying to the WIC Program to*
34 *submit a simple electronic application to simultaneously obtain*
35 *presumptive eligibility for Medi-Cal and Healthy Families under*
36 *Title XIX (42) U.S.C. 1396 et seq.) and Title XXI (42 U.S.C.*
37 *1397aa et seq.) of the Social Security Act and apply for*
38 *enrollment into the Medi-Cal program or the Healthy Families*
39 *Program with the consent of their parent or guardian.*

1 (2) *Modify the existing WIC enrollment system to obtain the*
2 *minimum required data for enrollment in Medi-Cal and Healthy*
3 *Families in order to provide an electronic transactional platform*
4 *that is connected to the simple electronic application referenced*
5 *in paragraph (1) and allowing for an interface between that*
6 *application, the Medi-Cal Eligibility Data System (MEDS), and*
7 *the Medi-Cal program or the Healthy Families Program, as*
8 *relevant.*

9 (3) *Providing an automated real-time connection with MEDS*
10 *for the purpose of checking an applicant's enrollment status.*

11 (4) *Allowing for the electronic transfer of information to the*
12 *Medi-Cal program or the Healthy Families Program, as*
13 *relevant, for the purpose of making the final eligibility*
14 *determination.*

15 (5) *Checking, as relevant, available government databases for*
16 *the purpose of electronically receiving information that is*
17 *necessary to allow the Medi-Cal program or the Healthy*
18 *Families Program to complete the eligibility determination. The*
19 *department and the Managed Risk Medical Insurance Board*
20 *shall comply with all applicable privacy and confidentiality*
21 *provisions under federal and state law.*

22 (b) *The automated enrollment gateway system shall be*
23 *constructed with the capacity to be used by entities operating the*
24 *WIC Program.*

25 (c) *The WIC application process shall be modified to provide*
26 *an electronic application described in subdivision (a), which*
27 *shall contain the information necessary to apply for the*
28 *automated enrollment gateway system, supplemented by*
29 *information required to apply for enrollment into the Medi-Cal*
30 *program or the Healthy Families Program.*

31 (d) *Benefits for applicants opting to simultaneously obtain*
32 *presumptive eligibility for enrollment under this section shall*
33 *continue until a final eligibility determination is made for the*
34 *Medi-Cal program or the Healthy Families Program pursuant to*
35 *Section 14011.8 of the Welfare and Institutions Code.*

36 (e) *Operation of the automated enrollment gateway system for*
37 *the WIC Program shall occur within a timely and appropriate*
38 *period as determined by the department and the board, in*
39 *consultation with the stakeholders as provided in subdivision (a)*
40 *subject to a specific appropriation being provided for that*

1 *purpose in the Budget Act or in subsequent legislation. The*
2 *automated enrollment gateway system shall comply with all*
3 *applicable confidentiality and privacy protection in federal and*
4 *state law and regulation.*

5 *(f) The WIC Program shall collect income and residency*
6 *information necessary for the Medi-Cal program and the Healthy*
7 *Families Program documentation requirements for applications*
8 *submitted through the automated enrollment gateway system. To*
9 *the extent allowed by the federal government, the Medi-Cal and*
10 *Healthy Families programs shall rely on income information*
11 *obtained by WIC and upon the income verification process*
12 *performed by WIC. The Medi-Cal and Healthy Families*
13 *programs shall collect and verify citizenship and immigration*
14 *information as required under those programs.*

15 *(g) Consistent with the provisions of this section, the Medi-Cal*
16 *and Healthy Families programs may collect additional*
17 *information needed to verify eligibility in those programs.*

18 *(h) Counties shall accept and process for a Medi-Cal*
19 *eligibility determination applications provided by the WIC*
20 *gateway system and ensure timely processing of these*
21 *applications and a timely eligibility determination and ending of*
22 *presumptive eligibility.*

23 *(i) The presumptive eligibility benefits provided under this*
24 *section shall be identical to the benefits provided to children who*
25 *receive full-scope Medi-Cal benefits without a share of cost, and*
26 *shall only be made available through a Medi-Cal provider.*

27 *(j) The confidentiality and privacy protections set forth in*
28 *Sections 10850 and 14100.2 of the Welfare and Institutions Code*
29 *and all other confidentiality and privacy protections in federal*
30 *and state law and regulation shall apply to all children and*
31 *families using the automated enrollment gateway system as*
32 *described in this section.*

33 *(k) The state shall promote and offer support to the WIC*
34 *program for the use of the simple electronic application and the*
35 *automated enrollment gateway system.*

36 *(l) The board shall seek approval of any amendments to the*
37 *state plan necessary to implement this section, in accordance*
38 *with Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the federal*
39 *Social Security Act.*

1 (m) *The department shall seek approval of any amendments to*
2 *the state plan necessary to implement this section, in accordance*
3 *with Title XIX (42 U.S.C. 1396 et seq.) of the federal Social*
4 *Security Act. Notwithstanding any other provision of law, only*
5 *when all necessary federal approvals have been obtained shall*
6 *this section be implemented.*

7 SEC. 6. *Section 14011.65 of the Welfare and Institutions*
8 *Code is amended to read:*

9 14011.65. (a) To the extent allowed under federal law and
10 only if federal financial participation is available under Title XXI
11 of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.), the
12 state shall administer the Medi-Cal to Healthy Families
13 Accelerated Enrollment program, to provide any child who meets
14 the criteria set forth in subdivision (b) with temporary health
15 benefits for the period described in paragraph (2) of subdivision
16 (b), as established under Part 6.2 (commencing with Section
17 12693) of Division 2 of the Insurance Code.

18 (b) (1) Any child who meets all of the following
19 requirements, shall be eligible for temporary health benefits
20 under this section:

21 (A) The child, or his or her parent or guardian, submits an
22 application for the Medi-Cal program directly to the county.

23 (B) The child's income, as determined on the basis of the
24 application described in subparagraph (A), is within the income
25 limits established by the Healthy Families Program.

26 (C) The child is under 19 years of age at the time of the
27 application.

28 (D) The county determines, on the basis of the application
29 described in subparagraph (A), that the child is eligible for
30 full-scope Medi-Cal with a share of cost.

31 (E) The child is not receiving Medi-Cal benefits at the time
32 that the application is submitted.

33 (F) The child, or his or her parent or guardian, gives, or has
34 given consent for the application to be shared with the Healthy
35 Families Program for purposes of determining the child's
36 Healthy Families Program eligibility.

37 (2) The period of accelerated eligibility provided for under this
38 section begins on the first day of the month that the county finds
39 that the child meets all of the criteria described in paragraph (1)
40 and concludes on the last day of the month that the child either is

1 fully enrolled in, or has been determined ineligible for, the
2 Healthy Families Program.

3 (3) For any child who meets the requirements for temporary
4 health benefits under this section, the county shall forward to the
5 Healthy Families Program sufficient information from the child's
6 application to determine eligibility for the Healthy Families
7 Program. To the extent possible, submission of that information
8 to the Healthy Families Program shall be accomplished using an
9 electronic process developed for use in the Medi-Cal-to-Healthy
10 Families Bridge Benefits Program. The department shall give the
11 Healthy Families Program a daily electronic file of all children
12 provided temporary health benefits pursuant to this section.

13 (4) The temporary health benefits provided under this section
14 shall be identical to the benefits provided to children who receive
15 full-scope Medi-Cal benefits without a share of cost and shall
16 only be made available through a Medi-Cal provider.

17 (c) The department, in consultation with the Managed Risk
18 Medical Insurance Board and representatives of the local
19 agencies that administer the Medi-Cal program, consumer
20 advocates, and other stakeholders, shall develop and distribute
21 the policies and procedures, including any all-county letters,
22 necessary to implement this section.

23 (d) Notwithstanding Chapter 3.5 (commencing with Section
24 11340) of Part 1 of Division 3 of Title 2 of the Government
25 Code, the department shall implement this section by means of
26 all-county letters or similar instructions, without taking any
27 further regulatory action. Thereafter, the department may adopt
28 regulations, as necessary, to implement this section in accordance
29 with the requirements of Chapter 3.5 (commencing with Section
30 11340) of Part 1 of Division 3 of Title 2 of the Government
31 Code.

32 (e) The department shall seek approval of any amendments to
33 the state plan necessary to implement this section, in accordance
34 with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the Social
35 Security Act. Notwithstanding any other provision of law, only
36 when all necessary federal approvals have been obtained shall
37 this section be implemented.

38 (f) Under no circumstances shall this section be implemented
39 unless the state has sought and obtained approval of any
40 amendments to its state plan, as described in Section 12693.50 of

1 the Insurance Code, necessary to implement this section and
2 obtain funding under Title XXI of the Social Security Act(42
3 U.S.C. Sec. 1397aa et seq.) for the provision of benefits provided
4 under this section. Notwithstanding any other provision of law,
5 and only when all necessary federal approvals have been
6 obtained by the state, this section shall be implemented only to
7 the extent federal financial participation under Title XXI of the
8 Social Security Act(42 U.S.C. Sec. 1397aa et seq.) is available to
9 fund benefits provided under this section.

10 (g) The department shall commence implementation of this
11 section on the first day of the third month following the month in
12 which federal approval of the state plan amendment or
13 amendments described in subdivision (f), and subdivision (b) of
14 Section 12693.50 of the Insurance Code is received, or on
15 August 1, 2006, whichever is later.

16 (h) *This section shall cease to be implemented on the date that*
17 *the director executes a declaration, pursuant to subdivision (h) of*
18 *Section 14011.65, stating that implementation of Section*
19 *14011.65a has commenced. Implementation of this section shall*
20 *resume on the date that Section 14011.65a becomes inoperative,*
21 *pursuant to subdivision (h) of that section.*

22 SEC. 7. *Section 14011.65a is added to the Welfare and*
23 *Institutions Code, to read:*

24 *14011.65a. (a) To the extent allowed under federal law*
25 *under Title XIX (42) U.S.C. 1396 et seq.) and Title XXI (42*
26 *U.S.C. 1397aa et seq.) of the Social Security Act, and only if*
27 *federal financial participation is available under Title XXI (42*
28 *U.S.C. 1397aa et seq.) of the Social Security Act, the state shall*
29 *administer the Medi-Cal to Healthy Families Presumptive*
30 *Eligibility Program, to provide any child who meets the criteria*
31 *set forth in subdivision (b) with presumptive eligibility benefits*
32 *for the period described in paragraph (4) of subdivision (b).*

33 (b) (1) *On the basis of an initial screen performed by the*
34 *county when an application for Medi-Cal or Healthy Families*
35 *Program eligibility is filed, any child who meets all of the*
36 *following requirements, shall be eligible for presumptive*
37 *eligibility benefits under this section:*

38 (A) *The child, or his or her parent or guardian, submits an*
39 *application for the Medi-Cal program or the Healthy Families*
40 *Program directly to the county.*

1 (B) *The child's income, as screened by the county on the basis*
2 *of the application described in subparagraph (A), is not within*
3 *the income levels necessary to establish no share of cost*
4 *Medi-Cal eligibility.*

5 (C) *The child's income, as screened by the county on the basis*
6 *of the application described in subparagraph (A), is within the*
7 *income limits established by the Healthy Families Program.*

8 (D) *The child is under 19 years of age at the time of the*
9 *application.*

10 (E) *The child is not receiving no cost Medi-Cal or Healthy*
11 *Families benefits at the time that the application is submitted.*

12 (2) *When the county performs the initial screen and*
13 *determines that the child meets the criteria described in*
14 *paragraph (1), the county shall establish presumptive eligibility*
15 *for Healthy Families for that child. Once presumptive eligibility*
16 *has been established, the county shall continue to determine*
17 *child's eligibility for Medi-Cal on the basis of the filed*
18 *application.*

19 (3) *When the county completes the Medi-Cal eligibility*
20 *determination process and determines a child ineligible for no*
21 *cost Medi-Cal and the child appears to be income eligible for the*
22 *Healthy Families Program, the county shall find the child*
23 *presumptively eligible for the Healthy Families Program and*
24 *comply with the standards set forth in paragraph (5) if either of*
25 *the following conditions are met:*

26 (A) *The county determined the child eligible for Medi-Cal with*
27 *a share of cost.*

28 (B) *The child is not income eligible for a poverty level*
29 *program and the county did not establish no cost Medi-Cal*
30 *eligibility because the child did not complete or failed to pass the*
31 *resource standard or establish disability or deprivation.*

32 (4) *The period of presumptive eligibility provided for under*
33 *this section begins on the first day of the month that the county*
34 *finds that the child meets all of the criteria described in*
35 *paragraph (1) or (3), and concludes on the last day of the month*
36 *of the child's effective date of coverage in the Healthy Families*
37 *Program, or determination of ineligibility for the Healthy*
38 *Families Program.*

39 (5) (A) *For any child who meets the requirements for*
40 *presumptive eligibility benefits under this section, the county*

1 shall forward to the Healthy Families Program the child's
2 application, to determine eligibility for the Healthy Families
3 Program. The submission of the application to the Healthy
4 Families Program shall be accomplished using an electronic
5 format, specified by the department provided that the department
6 has implemented the automated interfaces necessary to
7 accomplish electronic submission of applications from the county
8 to the Healthy Families Program without requiring duplicative
9 data entry by the county. If all of the eligibility criteria set forth
10 in paragraph (1) of subdivision (b) are established at the time of
11 application, the application to Healthy Families Program shall
12 be forwarded in accordance with the timeframes established by
13 the department.

14 (B) The department shall give the Healthy Families Program
15 a daily electronic file of all children provided presumptive
16 eligibility benefits pursuant to this section.

17 (6) The presumptive eligibility benefits provided under this
18 section shall be identical to the benefits provided to children who
19 receive full-scope Medi-Cal benefits without a share of cost and
20 shall only be made available through a Medi-Cal provider.

21 (c) The department, in consultation with the Managed Risk
22 Medical Insurance Board and representatives of the local
23 agencies that administer the Medi-Cal program, consumer
24 advocates, and other stakeholders, shall develop and distribute
25 the policies and procedures, including any all-county letters,
26 necessary to implement this section.

27 (d) Notwithstanding Chapter 3.5 (commencing with Section
28 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
29 the department shall implement this section by means of
30 all-county letters or similar instructions, without taking any
31 further regulatory action. Thereafter, the department may adopt
32 regulations, as necessary, to implement this section in
33 accordance with the requirements of Chapter 3.5 (commencing
34 with Section 11340) of Part 1 of Division 3 of Title 2 of the
35 Government Code.

36 (e) The department shall seek approval of any amendments to
37 the state plan necessary to implement this section, in accordance
38 with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the Social Security
39 Act. Notwithstanding any other provision of law, only when all

1 *necessary federal approvals have been obtained shall this section*
2 *be implemented.*

3 *(f) Under no circumstances shall this section be implemented*
4 *unless the state has sought and obtained approval of any*
5 *amendments to its state plan, as described in Section 12693.50 of*
6 *the Insurance Code, necessary to implement this section and*
7 *obtain funding under Title XXI of the Social Security Act (42*
8 *U.S.C. Sec. 1397aa et seq.) for the provision of benefits provided*
9 *under this section. Notwithstanding any other provision of law,*
10 *and only when all necessary federal approvals have been*
11 *obtained by the state, this section shall be implemented only to*
12 *the extent federal financial participation under Title XXI of the*
13 *Social Security Act (42 U.S.C. Sec. 1397aa et seq.) is available to*
14 *fund benefits provided under this section.*

15 *(g) The department shall commence implementation of this*
16 *section on the first day of the third month following the month in*
17 *which federal approval of the state plan amendment or*
18 *amendments described in subdivision (f), and subdivision (b) of*
19 *Section 12693.50 of the Insurance Code is received, or on August*
20 *1, 2007, whichever is later.*

21 *(h) Upon implementation of the Medi-Cal to Healthy Families*
22 *Presumptive Eligibility Program pursuant to this section, the*
23 *director shall execute a declaration, which shall be retained by*
24 *the director, stating that implementation of this section has*
25 *commenced. This section shall become inoperative three years*
26 *after the date that the director executes the declaration, and shall*
27 *be repealed on January 1 of the year following the date upon*
28 *which this section becomes inoperative.*

29 *SEC. 8. Section 14012.5 is added to the Welfare and*
30 *Institutions Code, to read:*

31 *14012.5. (a) By July 1, 2007, the department shall implement*
32 *a process that allows applicants and beneficiaries to self-certify*
33 *the amount and nature of assets and income without the need to*
34 *submit income or asset documentation.*

35 *(b) The process shall apply to applicants and beneficiaries in*
36 *the program described in Section 14005.30, the federal poverty*
37 *level programs for infants, children and pregnant women, the*
38 *Medically-Indigent and Medically-Needy Programs for children*
39 *and families, and other similar programs designated by the*
40 *department, in order to preserve family unity or simplify*

1 administration. The process shall not apply to applicants or
2 beneficiaries whose eligibility is based on their status as aged,
3 blind, or based upon a disability determination unless, to the
4 extent possible, they are members of families in which a child,
5 parent, or spouse of that person is also a Medi-Cal applicant or
6 beneficiary.

7 (c) The department shall implement the process of
8 self-certification in two phases. The first phase shall be
9 implemented in two counties as established in subdivision (d),
10 and consistent with requirements set forth in this section. The
11 second phase shall be implemented statewide as established in
12 subdivision (h) and subject to the conditions set forth in this
13 section.

14 (d) The department shall implement the first phase in two
15 counties that have a combined Medi-Cal population of
16 approximately 10 percent of the total statewide Medi-Cal
17 population for the programs described in subdivision (b) as
18 being eligible for the self-certification process. The department
19 shall select the two counties for the initial phase of
20 implementation by considering the following factors:

21 (1) The county's demonstrated record of completing eligibility
22 determinations and redeterminations accurately and on a timely
23 basis.

24 (2) The county's demonstrated record of accurately, quickly
25 and successfully implementing programs.

26 (e) Each county shall agree to meet all federal requirements
27 for income, resource, and other verifications, and to perform
28 determinations and verifications in a timely manner.

29 (f) Following a two-year implementation of the first phase, the
30 department shall promptly provide the fiscal and policy
31 committees of the Legislature with an evaluation of the
32 self-certification process and its impacts on the Medi-Cal
33 program, including its impact on enrolling and retaining eligible
34 persons, simplifying the program, assuring program and fiscal
35 integrity, administrative costs, and its overall cost-benefit to the
36 state.

37 (g) The director may modify or terminate the first phase of
38 implementation not sooner than 90-days after providing
39 notification to the Chair of the Joint Legislative Budget
40 Committee. This notification shall articulate the specific reasons

1 *for the modification or termination and shall include all relevant*
2 *data elements which are applicable to document the reasons*
3 *provided for said modifications or termination. Upon the request*
4 *of the Chair of the Joint Legislative Budget Committee, the*
5 *director shall promptly provide any additional clarifying*
6 *information regarding the first phase of implementation as*
7 *requested.*

8 *(h) Following two years of operation in two counties and*
9 *submission of the evaluation to the Legislature, the director, in*
10 *consultation with the Department of Finance, shall determine*
11 *whether to implement the self-certification process statewide.*
12 *This determination shall be based on the outcomes of the*
13 *evaluation, including the ability to increase enrollment of eligible*
14 *children and families, and to maintain the overall integrity of the*
15 *Medi-Cal program. Statewide implementation shall be contingent*
16 *on a specific appropriation being provided for this purpose in the*
17 *Budget Act or subsequent legislation.*

18 *(i) This section shall be implemented only if that, and to the*
19 *extent, federal financial participation is available.*

20 *(j) Notwithstanding Chapter 3.5 (commencing with Section*
21 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
22 *the department shall implement this section by means of*
23 *all-county letters or similar instructions, without taking any*
24 *further regulatory action. Thereafter, the department shall adopt*
25 *regulations, as necessary, to implement this section in*
26 *accordance with the requirements of Chapter 3.5 (commencing*
27 *with Section 11340) of Part 1 of Division 3 of Title 2 of the*
28 *Government Code.*

29 *(k) The department, in consultation with the Department of*
30 *Finance, counties, and other interested stakeholders, shall*
31 *determine which types of assets and income are appropriate for*
32 *self-certification under this section.*

33 *(l) Nothing in this section shall be read to preclude a county*
34 *from requesting documentation from any applicant or beneficiary*
35 *regarding any income or asset where a question arises about*
36 *such income or asset during the county's determination or*
37 *redetermination of eligibility following receipt of the application*
38 *or annual redetermination form.*

39 *(m) Nothing in this section shall change the ability of the*
40 *department to self-certify income, assets, or other program*

1 information to the extent allowed under state or federal law,
2 waiver, or the state plan.

3 (n) (1) This section shall not be implemented if the voters
4 approve Proposition 86, the tobacco tax initiative, at the
5 statewide general election on November 7, 2006.

6 (2) Notwithstanding paragraph (1) if Proposition 86 is
7 approved by the voters at the statewide general election on
8 November 7, 2006, this section shall be implemented during the
9 pendency of any legal action concerning the validity of the
10 proposition.

11 SEC. 9. The adoption and one readoption of any regulations
12 by the Managed Risk Medical Insurance Board to implement this
13 act shall be deemed to be an emergency and necessary for the
14 immediate preservation of public peace, health and safety, or
15 general welfare for purposes of Sections 11346.1 and 11349.6 of
16 the Government Code, and the board is hereby exempted from
17 the requirement that it describe specific facts showing the need
18 for immediate action and from review by the Office of
19 Administrative Law. For purpose of subdivision (e) of Section
20 11346.1 of the Government Code, the 120-day period, as
21 applicable to the effective period of an emergency regulatory
22 action and submission of specified materials to the Office of
23 Administrative law, is hereby extended to 180 days.

24 ~~SECTION 1. Section 12693.70 of the Insurance Code is~~
25 ~~amended to read:~~

26 ~~12693.70. To be eligible to participate in the program, an~~
27 ~~applicant shall meet all of the following requirements:~~

28 ~~(a) Be an applicant applying on behalf of an eligible child,~~
29 ~~which means a child who is all of the following:~~

30 ~~(1) Less than 19 years of age. An application may be made on~~
31 ~~behalf of a child not yet born up to three months prior to the~~
32 ~~expected date of delivery. Coverage shall begin as soon as~~
33 ~~administratively feasible, as determined by the board, after the~~
34 ~~board receives notification of the birth. However, no child less~~
35 ~~than 12 months of age shall be eligible for coverage until 90 days~~
36 ~~after the enactment of the Budget Act of 1999.~~

37 ~~(2) Not eligible for no-cost full-scope Medi-Cal or Medicare~~
38 ~~coverage at the time of application.~~

39 ~~(3) In compliance with Sections 12693.71 and 12693.72.~~

1 ~~(4) A child who meets citizenship and immigration status~~
2 ~~requirements that are applicable to persons participating in the~~
3 ~~program established by Title XXI of the Social Security Act,~~
4 ~~except as specified in Section 12693.76.~~

5 ~~(5) A resident of the State of California pursuant to Section~~
6 ~~244 of the Government Code; or, if not a resident pursuant to~~
7 ~~Section 244 of the Government Code, is physically present in~~
8 ~~California and entered the state with a job commitment or to seek~~
9 ~~employment, whether or not employed at the time of application~~
10 ~~to or after acceptance in, the program.~~

11 ~~(6) (A) In either of the following:~~

12 ~~(i) In a family with an annual or monthly household income~~
13 ~~equal to or less than 200 percent of the federal poverty level.~~

14 ~~(ii) When implemented by the board, subject to subdivision (b)~~
15 ~~of Section 12693.765 and pursuant to this section, a child under~~
16 ~~the age of two years who was delivered by a mother enrolled in~~
17 ~~the Access for Infants and Mothers Program as described in Part~~
18 ~~6.3 (commencing with Section 12695). For purposes of this~~
19 ~~clause, any infant born to a woman whose enrollment in the~~
20 ~~Access for Infants and Mothers Program begins after June 30,~~
21 ~~2004, shall be automatically enrolled in the Healthy Families~~
22 ~~Program. This enrollment shall cover the first 12 months of the~~
23 ~~infant's life. At the end of the 12 months, as a condition of~~
24 ~~continued eligibility, the applicant shall provide income~~
25 ~~information. The infant shall be disenrolled if the gross annual~~
26 ~~household income exceeds the income eligibility standard that~~
27 ~~was in effect in the Access for Infants and Mothers Program at~~
28 ~~the time the infant's mother became eligible, or following the~~
29 ~~period established in Section 12693.981 if the infant is eligible~~
30 ~~for Medi-Cal with no share of cost. At the end of the second year,~~
31 ~~infants shall again be screened for program eligibility pursuant to~~
32 ~~this section, with income eligibility evaluated pursuant to clause~~
33 ~~(i), subparagraphs (B) and (C), and paragraph (2) of subdivision~~
34 ~~(a).~~

35 ~~(B) All income over 200 percent of the federal poverty level~~
36 ~~but less than or equal to 250 percent of the federal poverty level~~
37 ~~shall be disregarded in calculating annual or monthly household~~
38 ~~income.~~

39 ~~(C) In a family with an annual or monthly household income~~
40 ~~greater than 250 percent of the federal poverty level, any income~~

1 deduction that is applicable to a child under Medi-Cal shall be
2 applied in determining the annual or monthly household income.
3 If the income deductions reduce the annual or monthly household
4 income to 250 percent or less of the federal poverty level,
5 subparagraph (B) shall be applied.

6 (b) If the applicant is applying for the purchasing pool, and
7 does not have a family contribution sponsor the applicant shall
8 pay the first month's family contribution and agree to remain in
9 the program for six months, unless other coverage is obtained
10 and proof of the coverage is provided to the program.

11 (c) An applicant shall enroll all of the applicant's eligible
12 children in the program.

13 (d) In filing documentation to meet program eligibility
14 requirements, if the applicant's income documentation cannot be
15 provided, as defined in regulations promulgated by the board, the
16 applicant's signed statement as to the value or amount of income
17 shall be deemed to constitute verification.

18 (e) An applicant shall pay in full any family contributions
19 owed in arrears for any health, dental, or vision coverage
20 provided by the program within the prior 12 months.

21 SEC. 2. Section 12693.98 of the Insurance Code is amended
22 to read:

23 12693.98. (a) (1) The Medi-Cal-to-Healthy Families Bridge
24 Benefits Program is hereby established to provide any child who
25 meets the criteria set forth in subdivision (b) with continuing
26 health care benefits until the board has determined the child's
27 eligibility for the Healthy Families Program.

28 (2) The Medi-Cal-to-Healthy Families Bridge Benefits
29 Program shall be administered by the board.

30 (b) (1) Any child who meets the following requirements shall
31 be eligible for health care benefits under the
32 Medi-Cal-to-Healthy Families Bridge Benefits Program:

33 (A) He or she has been receiving, but is no longer eligible for,
34 full-scope Medi-Cal benefits without a share of cost

35 or he or she is eligible for full-scope Medi-Cal benefits with a
36 share of cost.

37 (B) He or she otherwise appears to meet the eligibility criteria
38 for the Healthy Families Program.

39 (2) The benefits under this chapter shall begin on the first day
40 of the month following the last day of the receipt of Medi-Cal

1 ~~benefits without a share of cost and shall continue until the board~~
2 ~~has determined whether the child is eligible for the Healthy~~
3 ~~Families Program. If the board determines that the child is~~
4 ~~eligible for the Healthy Families Program, the board shall enroll~~
5 ~~the child in the Healthy Families Program without an interruption~~
6 ~~in coverage. If the board determines that the child is ineligible for~~
7 ~~the Healthy Families Program, the department shall terminate the~~
8 ~~child's benefits under the Medi-Cal-to-Healthy Families Bridge~~
9 ~~Benefits Program in accordance with due process requirements.~~

10 ~~(e) The income methodology for determining a child's family~~
11 ~~income, as required by paragraph (1) of subdivision (b) shall be~~
12 ~~the same methodology used in determining a child's eligibility~~
13 ~~for the full scope of Medi-Cal benefits.~~

14 ~~(d) The scope of Healthy Families benefits provided under this~~
15 ~~chapter shall be identical to the scope of benefits that the child~~
16 ~~was receiving under the Medi-Cal program without a share of~~
17 ~~cost.~~

18 ~~(e) The Healthy Families benefits provided under this chapter~~
19 ~~shall only be made available through a Medi-Cal provider or~~
20 ~~under a Medi-Cal managed care arrangement or contract.~~

21 ~~(f)~~
22 ~~If the State Child Health Insurance Program waiver described~~
23 ~~in Section 12693.755 is approved, and at the time the waiver is~~
24 ~~implemented, the benefits described in this section shall also be~~
25 ~~available to persons who meet the eligibility requirements of the~~
26 ~~program and are parents of, or, as defined by the board, adults~~
27 ~~responsible for, children enrolled to receive coverage under this~~
28 ~~part or enrolled to receive full scope Medi-Cal services with no~~
29 ~~share of cost.~~

30 ~~(g) The department and the board may exchange a child's case~~
31 ~~file solely for the purpose of determining the child's eligibility~~
32 ~~for the Medi-Cal program or the Healthy Families Program;~~
33 ~~without requiring the family's consent.~~

34 ~~SEC. 3. Section 12693.981 of the Insurance Code is amended~~
35 ~~to read:~~

36 ~~12693.981. (a) (1) The Healthy Families-to-Medi-Cal~~
37 ~~Bridge Benefits Program is hereby established to provide any~~
38 ~~person enrolled for coverage under this part who meets the~~
39 ~~criteria set forth in subdivision (b) with continuing health care~~

benefits until the person's eligibility for the Medi-Cal program has been determined.

(2) The Healthy Families-to-Medi-Cal Bridge Benefits Program shall be administered by the board.

(b) (1) Any person who meets all of the following requirements shall be eligible for health care benefits under the Healthy Families-to-Medi-Cal Bridge Benefits Program:

(A) He or she has been receiving, but is no longer eligible for, benefits under the Healthy Families Program.

(B) He or she appears to be income eligible for full-scope Medi-Cal benefits without a share of cost.

(2) The benefits under this chapter shall begin on the first day of the month following the last day of the person's eligibility for benefits under the Healthy Families Program and shall continue, at minimum, until the person's eligibility for the Medi-Cal program has been determined and the Medi-Cal Benefits Identification Card has been issued and activated. If the department determines that the person is eligible for the Medi-Cal program, the department shall enroll the person in the Medi-Cal program with no interruption in coverage. If the department determines that the person is ineligible for the Medi-Cal program, the board shall terminate the person's benefits under the Healthy Families-to-Medi-Cal Bridge Benefits Program in accordance with due process requirements.

(c) The scope of Medi-Cal program benefits provided under this chapter shall be identical to the scope of benefits that the person was receiving under the Healthy Families Program.

(d)

The board shall not require a person receiving health care benefits under the Healthy Families-to-Medi-Cal Bridge Benefits Program to pay a premium.

(e) The department and the board may exchange a child's case file solely for the purpose of determining the child's eligibility for the Medi-Cal Program or the Healthy Families Program, without requiring the family's consent.

SEC. 4. Chapter 17 (commencing with Section 12694) is added to Part 6.2 of Division 2 of the Insurance Code, to read:

~~12694.1. (a) As used in this chapter, “California Healthy Kids Insurance Program” shall be deemed to refer jointly to the Healthy Families Program for children under 19 years of age and the portions of the Medi-Cal program that provide health care coverage to persons under 21 years of age. As used in this chapter, “department” shall mean the State Department of Health Services and “administering agencies” shall be deemed to refer to the board or department, as applicable. The implementation of duties and responsibilities of the California Healthy Kids Insurance Program shall be the responsibility of the board, to the extent that the duties and responsibilities relate to the Healthy Families Program, or of the department, to the extent that the duties and responsibilities relate to the Medi-Cal program. The implementation of duties and responsibilities that require the~~

1 participation of both agencies shall be performed jointly, as
2 coordinated between them by agreement.

3 (b) The administering agencies shall operate the California
4 Healthy Kids Insurance Program in a coordinated and seamless
5 manner with respect to children who seek, apply for, or are
6 enrolled in the Medi-Cal program or the Healthy Families
7 Program. Both administering agencies shall coordinate
8 enrollment, renewal, eligibility, and outreach activities, and shall
9 assign clear lines of responsibility for all associated agency
10 activities. A child enrolled in either the Healthy Families
11 Program or the Medi-Cal program shall be deemed to be enrolled
12 in the California Healthy Kids Insurance Program. It is the intent
13 of the Legislature that from the child's perspective, there shall
14 appear to be a single program, even if the details are handled by
15 two programs, agencies, and funding sources.

16 12694.2. (a) The board and the department, in collaboration
17 with representatives of the programs referenced in subdivision
18 (b), local agencies that administer the Medi-Cal program,
19 providers, advocates, information technology specialists, and
20 other stakeholders, shall design, implement, and promulgate
21 policies and procedures for an automated enrollment gateway
22 system within the California Healthy Kids Insurance Program
23 that performs, but is not limited to performing, the following
24 functions:

25 (1) Allowing children applying to the programs referenced in
26 subdivision (b) to submit a simple electronic application to
27 simultaneously preenroll and apply for enrollment into the
28 Medi-Cal program or the Healthy Families Program with the
29 consent of their parent or guardian.

30 (2) Establishing an electronic transactional platform that is
31 connected to the simple electronic application referenced in
32 paragraph (1) and allowing for an interface between that
33 application, MEDS, and the Medi-Cal program or the Healthy
34 Families Program, as relevant.

35 (3) Providing an automated, real-time connection with MEDS
36 for the purpose of checking an applicant's enrollment status.

37 (4) Allowing for the electronic transfer of information to the
38 Medi-Cal program or the Healthy Families Program, as relevant,
39 for the purpose of making the final eligibility determination.

1 ~~(5) Checking, as relevant, available government databases for~~
2 ~~the purpose of electronically receiving information that is~~
3 ~~necessary to allow the Medi-Cal program or the Healthy Families~~
4 ~~Program to complete the eligibility determination.~~

5 ~~(b) The automated enrollment gateway system shall be~~
6 ~~constructed with the capacity to be used, at a minimum, by~~
7 ~~entities operating the following programs: the Child Health and~~
8 ~~Disability Program (CHDP), the CHDP Gateway program, the~~
9 ~~National School Lunch Program, the Food Stamp program, and~~
10 ~~the California Special Supplemental Nutrition Program for~~
11 ~~Women, Infants, and Children.~~

12 ~~(c) The simple electronic application described in paragraph~~
13 ~~(1) of subdivision (a) shall contain the information necessary to~~
14 ~~apply for the automated enrollment gateway system,~~
15 ~~supplemented as minimally necessary under federal law to apply~~
16 ~~for enrollment into the Medi-Cal program or the Healthy~~
17 ~~Families Program.~~

18 ~~(d) Benefits for applicants opting to simultaneously preenroll~~
19 ~~and apply for enrollment under this section shall continue until a~~
20 ~~final eligibility determination is made for the Medi-Cal program~~
21 ~~or the Healthy Families Program pursuant to Section 14011.8 of~~
22 ~~the Welfare and Institutions Code.~~

23 ~~(e) Deployment of the automated enrollment gateway system~~
24 ~~shall begin with CHDP. Deployment of the automated enrollment~~
25 ~~gateway system for the other programs referenced in subdivision~~
26 ~~(b) shall occur within a timely and appropriate period as~~
27 ~~determined by the department and board, in consultation with the~~
28 ~~stakeholders as provided in subdivision (a).~~

29 ~~(f) The income and residency information collected by the~~
30 ~~programs referenced in subdivision (b) shall satisfy the Medi-Cal~~
31 ~~program or the Healthy Families Program documentation~~
32 ~~requirements for applications submitted through the automated~~
33 ~~enrollment gateway system.~~

34 ~~(g) The confidentiality and privacy protections set forth in~~
35 ~~Sections 10500 and 14100.2 of the Welfare and Institutions Code~~
36 ~~shall apply to all children and families using the automated~~
37 ~~enrollment gateway system as described in this section.~~

38 ~~(h) The state shall promote and offer support for the use of the~~
39 ~~simple electronic application and the automated enrollment~~
40 ~~gateway system.~~

1 ~~12694.3. Once enrolled, no child shall be terminated from the~~
2 ~~California Healthy Kids Insurance Program until the board or~~
3 ~~department reviews the child's eligibility for the Healthy~~
4 ~~Families Program and the Medi-Cal program under all possible~~
5 ~~grounds and completes an eligibility redetermination for all~~
6 ~~Medi-Cal and Healthy Families programs, consistent with all due~~
7 ~~process requirements including, but not limited to, the procedures~~
8 ~~in Section 14005.37 of the Welfare and Institutions Code.~~

9 ~~12694.4. The California Healthy Kids Insurance Program~~
10 ~~shall educate families about the legal right to transfer to lower~~
11 ~~premium levels in the Healthy Families Program or to no-cost~~
12 ~~Medi-Cal if the child's family income decreases and shall also~~
13 ~~implement provisions to enroll a child in the most beneficial~~
14 ~~program for which the child is eligible. The California Healthy~~
15 ~~Kids Insurance Program shall use the Medi-Cal-to-Healthy~~
16 ~~Families Bridge Benefits Program in Section 12693.98 and the~~
17 ~~Healthy Families-to-Medi-Cal Bridge Benefits Program in~~
18 ~~Section 12693.981 to transfer children who are eligible for a~~
19 ~~lower premium tier under the Healthy Families Program or~~
20 ~~no-cost Medi-Cal into the appropriate program. Lower premiums~~
21 ~~or no-cost coverage shall begin at the time the department or~~
22 ~~board learns that the child may be eligible for a lower premium~~
23 ~~tier or no-cost Medi-Cal.~~

24 ~~12694.5. (a) The California Healthy Kids Insurance Program~~
25 ~~shall notify families of their child's renewal date by including~~
26 ~~notifications on, or in conjunction with, regular communications~~
27 ~~to families, such as premium payment statements or insurance~~
28 ~~cards.~~

29 ~~(b) The board and the department shall establish simplified~~
30 ~~annual renewal forms for individuals enrolled in the Healthy~~
31 ~~Families Program and for individuals enrolled in the Medi-Cal~~
32 ~~program, respectively. The forms shall be prepopulated with all~~
33 ~~enrolled family members' known eligibility information and~~
34 ~~include a simple checkoff list for family members to identify~~
35 ~~whether each eligibility information item remains correct. The~~
36 ~~renewal form shall also request that children and families provide~~
37 ~~any changes to the prepopulated eligibility information on the~~
38 ~~form.~~

1 ~~(e) The California Healthy Kids Insurance Program shall~~
2 ~~establish a process to allow families to renew their coverage by~~
3 ~~telephone.~~

4 ~~12694.6. The California Healthy Kids Insurance Program~~
5 ~~shall develop strategies to promote voluntary employer~~
6 ~~participation to provide health care coverage for employees'~~
7 ~~children. The employer participation options shall be designed to~~
8 ~~offer health care coverage to children through arrangements that~~
9 ~~are affordable and efficient for employers and families;~~
10 ~~considering in particular the way in which new opportunities for~~
11 ~~employer participation would interact with current practices and~~
12 ~~patterns in employer-sponsored health care coverage for~~
13 ~~employees' dependents.~~

14 ~~12694.7. The board and department shall consult with~~
15 ~~consumer advocates and other stakeholders in the~~
16 ~~implementation of this chapter, including, but not limited to, the~~
17 ~~development and distribution of policies, procedures and all~~
18 ~~county letters.~~

19 ~~SEC. 5. Section 12699.51 of the Insurance Code is amended~~
20 ~~to read:~~

21 ~~12699.51. For the purposes of this part, the following~~
22 ~~definitions shall apply:~~

23 ~~(a) "Account" means the Local Children's Health Insurance~~
24 ~~Program Interim Account.~~

25 ~~(b) "Administrative costs" means those expenses that are~~
26 ~~described in Section 1397ee(a)(1)(D) of Title 42 of the United~~
27 ~~States Code.~~

28 ~~(c) "Adult" means an uninsured parent of, or, as defined by the~~
29 ~~board, a person 19 years of age or older responsible for, a child~~
30 ~~enrolled to receive coverage under Part 6.2 (commencing with~~
31 ~~Section 12693) or who is enrolled to receive the full scope of~~
32 ~~Medi-Cal services with no share of cost.~~

33 ~~(d) "Applicant" means a county, county agency, a local~~
34 ~~initiative, or a county organized health system.~~

35 ~~(e) "Board" means the Managed Risk Medical Insurance~~
36 ~~Board.~~

37 ~~(f) "Child" means a person under 19 years of age.~~

38 ~~(g) "Comprehensive health insurance coverage" means the~~
39 ~~coverage described in Section 12693.60.~~

1 (h) ~~“County organized health system” means a health system~~
2 ~~implemented pursuant to Article 2.8 (commencing with Section~~
3 ~~14087.5) of Chapter 7 of Part 3 of Division 9 of the Welfare and~~
4 ~~Institutions Code and Article 1 (commencing with Section~~
5 ~~101675) of Chapter 3 of Part 4 of Division 101 of the Health and~~
6 ~~Safety Code.~~

7 (i) ~~“Fund” means the County Health Initiative Matching Fund.~~

8 (j) ~~“Local children’s health insurance program” means~~
9 ~~well-established and documented county or regional coalitions~~
10 ~~that, as of June 30, 2006, provide for the administration of~~
11 ~~comprehensive health care coverage to children who do not~~
12 ~~qualify for either the Healthy Families Program (Part 6.2~~
13 ~~(commencing with Section 12693)) or full-scope Medi-Cal~~
14 ~~(Chapter 7 (commencing with Section 14000) of Part 3 of~~
15 ~~Division 9 of the Welfare and Institutions Code) without a share~~
16 ~~of cost. Local children’s health insurance programs include, but~~
17 ~~are not limited to, such programs as the Children’s Health~~
18 ~~Initiative of Alameda, the Children’s Health Initiative of Fresno,~~
19 ~~the Children’s Health Initiative of Kern, the Children’s Health~~
20 ~~Initiative of Los Angeles, the Children’s Health Initiative of~~
21 ~~Napa, the Children’s Health Initiative of Riverside, the~~
22 ~~Children’s Health Initiative of San Bernardino, the Children’s~~
23 ~~Health Initiative of San Francisco, the Children’s Health~~
24 ~~Initiative of San Joaquin, the Children’s Health Initiative of San~~
25 ~~Luis Obispo, the Children’s Health Initiative of San Mateo, the~~
26 ~~Children’s Health Initiative of Santa Barbara, the Children’s~~
27 ~~Health Initiative of Santa Clara, the Children’s Health Initiative~~
28 ~~of Santa Cruz, the Children’s Health Initiative of Solano, the~~
29 ~~Children’s Health Initiative of Sonoma, the Children’s Health~~
30 ~~Initiative of Tulare, and the Children’s Health Initiative of Yolo.~~

31 (k) ~~“Local initiative” has the same meaning as set forth in~~
32 ~~Section 12693.08.~~

33 ~~SEC. 6. Section 12699.52 of the Insurance Code is amended~~
34 ~~to read:~~

35 ~~12699.52. (a) The County Health Initiative Matching Fund is~~
36 ~~hereby created within the State Treasury. The fund shall accept~~
37 ~~intergovernmental transfers and other funds as follows:~~

38 ~~(1) The nonfederal matching fund requirement for federal~~
39 ~~financial participation through the State Children’s Health~~

1 Insurance Program (Subchapter 21 (commencing with Section
2 1397aa) of Chapter 7 of Title 42 of the United States Code).

3 (2) Funding associated with a proposal approved pursuant to
4 subdivision (g) of Section 12699.53.

5 (3) Funding deposited into the Local Children's Health
6 Insurance Program Interim Account pursuant to Section
7 12699.64.

8 (b) Amounts deposited in the fund shall be used only for the
9 purposes specified by this part.

10 (c) The board shall administer this fund and the provisions of
11 this part in collaboration with the State Department of Health
12 Services for the express purpose of allowing local funds to be
13 used to facilitate increasing the state's ability to utilize federal
14 funds available to California and for costs associated with a
15 proposal pursuant to subdivision (g) of Section 12699.53. Funds
16 deposited into the Local Children's Health Insurance Program
17 Interim Account shall be used for the purpose specified in
18 Section 12699.65. Federal funds shall be used prior to the
19 expiration of their authority for programs designed to improve
20 and expand access for uninsured persons.

21 (d) The board shall authorize the expenditure of money in the
22 fund to cover program expenses, including cost to the state to
23 administer the program.

24 SEC. 7. Section 12699.64 is added to the Insurance Code, to
25 read:

26 12699.64. There is established within the County Health
27 Initiative Matching Fund, the Local Children's Health Insurance
28 Program Interim Account. The board shall administer the account
29 and shall not expend an amount for purposes of Section 12699.65
30 that exceeds the amount appropriated for those purposes in the
31 Budget Act of 2006, or in any subsequent annual Budget Act.

32 SEC. 8. Section 12699.65 is added to the Insurance Code, to
33 read:

34 12699.65. (a) Notwithstanding any other provision of this
35 part, a local children's health insurance program may submit a
36 proposal to the board for the purpose of augmenting local
37 funding for payment of premiums, based on the Healthy Families
38 Community Provider Plan rate, for children who are under 19
39 years of age and whose family income is at or below 300 percent
40 of the federal poverty level. The board shall begin accepting

1 funding proposals under this section not later than 45 days after
2 the date funds are appropriated to the account pursuant to Section
3 12699.64.

4 (b) The board shall review each funding proposal submitted by
5 a local children's health insurance program and allocate funds to
6 each proposal within 30 days of receipt of the proposal. The
7 allocation amount shall be based on the 2003 California Health
8 Interview Survey estimated number of children without health
9 care coverage in the county. Expenditures against the allocation
10 shall not exceed 40 percent of the total premiums for the actual
11 subscriber enrollment or projected enrollment in the local
12 children's health insurance program based on uniform projection
13 criteria to be developed by the board. The total amount of all
14 allocations shall not exceed the annual appropriation for the
15 account.

16 (c) The local children's health insurance programs shall seek
17 to coordinate with existing state and federal program funding.

18 SEC. 9. Section 12699.66 is added to the Insurance Code, to
19 read:

20 12699.66. The board may audit the expenses incurred by the
21 local children's health insurance program to ensure that the funds
22 are expended for premiums and augment local funding for
23 payment of premiums, as required by this part and recover or
24 withhold all or part of an allocation to a local children's health
25 insurance program based solely on this criteria. In conducting the
26 audit, the board shall comply with the confidentiality and privacy
27 protections set forth in Sections 10500 and 14100.2 of the
28 Welfare and Institutions Code.

29 SEC. 10. Section 14011.65 of the Welfare and Institutions
30 Code is amended to read:

31 14011.65. (a) To the extent allowed under federal law and
32 only if federal financial participation is available under Title XXI
33 of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.), the
34 state shall administer the Medi-Cal to Healthy Families
35 Accelerated Enrollment program, to provide any child who meets
36 the criteria set forth in subdivision (b) with temporary health
37 benefits for the period described in paragraph (2) of subdivision
38 (b), as established under Part 6.2 (commencing with Section
39 12693) of Division 2 of the Insurance Code.

1 ~~(b) (1) Any child who meets all of the following requirements,~~
2 ~~shall be eligible for temporary health benefits under this section:~~

3 ~~(A) The child, or his or her parent or guardian, submits an~~
4 ~~application for the Medi-Cal program or the Healthy Families~~
5 ~~Program directly to the county.~~

6 ~~(B) The child's income, as determined on the basis of the~~
7 ~~application described in subparagraph (A), is within the income~~
8 ~~limits established by the Healthy Families Program.~~

9 ~~(C) The child is under 19 years of age at the time of the~~
10 ~~application.~~

11 ~~(D)–~~
12 ~~The child is not receiving Medi-Cal or Healthy Families~~
13 ~~benefits at the time that the application is submitted.~~

14 ~~(2) The period of accelerated eligibility provided for under this~~
15 ~~section begins on the first day of the month that the county finds~~
16 ~~that the child meets all of the criteria described in paragraph (1)~~
17 ~~and concludes on the last day of the month that the child either is~~
18 ~~enrolled for ongoing benefits in the Healthy Families Program~~
19 ~~and has been issued an activated benefits card for the Healthy~~
20 ~~Families Program, or has been determined ineligible for the~~
21 ~~Healthy Families Program.~~

22 ~~(3) For any child who meets the requirements for temporary~~
23 ~~health benefits under this section, the county shall forward to the~~
24 ~~Healthy Families Program sufficient information from the child's~~
25 ~~application to determine eligibility for the Healthy Families~~
26 ~~Program. To the extent possible, submission of that information~~
27 ~~to the Healthy Families Program shall be accomplished using an~~
28 ~~electronic process developed for use in the Medi-Cal-to-Healthy~~
29 ~~Families Bridge Benefits Program. The department shall give the~~
30 ~~Healthy Families Program a daily electronic file of all children~~
31 ~~provided temporary health benefits pursuant to this section.~~

32 ~~(4) The temporary health benefits provided under this section~~
33 ~~shall be identical to the benefits provided to children who receive~~
34 ~~full-scope Medi-Cal benefits without a share of cost and shall~~
35 ~~only be made available through a Medi-Cal provider.~~

36 ~~(e) The department, in consultation with the Managed Risk~~
37 ~~Medical Insurance Board and representatives of the local~~
38 ~~agencies that administer the Medi-Cal program, consumer~~
39 ~~advocates, and other stakeholders, shall develop and distribute~~

~~the policies and procedures, including any all-county letters, necessary to implement this section.~~

~~(d) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of all-county letters or similar instructions, without taking any further regulatory action. Thereafter, the department may adopt regulations, as necessary, to implement this section in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.~~

~~(e) The department shall seek approval of any amendments to the state plan necessary to implement this section, in accordance with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the Social Security Act. Notwithstanding any other provision of law, only when all necessary federal approvals have been obtained shall this section be implemented.~~

~~(f) Under no circumstances shall this section be implemented unless the state has sought and obtained approval of any amendments to its state plan, as described in Section 12693.50 of the Insurance Code, necessary to implement this section and obtain funding under Title XXI of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.) for the provision of benefits provided under this section. Notwithstanding any other provision of law, and only when all necessary federal approvals have been obtained by the state, this section shall be implemented only to the extent federal financial participation under Title XXI of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.) is available to fund benefits provided under this section.~~

~~(g) The department shall commence implementation of this section on the first day of the third month following the month in which federal approval of the state plan amendment or amendments described in subdivision (f), and subdivision (b) of Section 12693.50 of the Insurance Code is received, or on August 1, 2006, whichever is later.~~

~~SEC. 11. Section 14067.3 is added to the Welfare and Institutions Code, to read:~~

~~14067.3. (a) (1) The department shall maintain an allocation program for the management and funding of county outreach, enrollment, and retention plans.~~

1 ~~(2) For the purposes of this section, “county outreach,~~
2 ~~enrollment, and retention plan” means a two-year county~~
3 ~~outreach program designed by both the county and coalitions of~~
4 ~~community-based organizations, schools, clinics, labor~~
5 ~~organizations, and other safety net providers for the purpose of~~
6 ~~promoting children’s enrollment and retention in health care~~
7 ~~coverage programs and the utilization of local and state public~~
8 ~~health care coverage programs.~~

9 ~~(3) Funding for this allocation program shall be provided by~~
10 ~~an appropriation in the annual Budget Act or other statute.~~

11 ~~(b) (1) Every county is eligible to submit a county outreach,~~
12 ~~enrollment, and retention plan. Only one county outreach,~~
13 ~~enrollment, and retention plan may be submitted on behalf of~~
14 ~~each county.~~

15 ~~(2) Each county outreach, enrollment, and retention plan shall~~
16 ~~include, at minimum, the following information:~~

17 ~~(A) Demonstration that the plan is the result of an active~~
18 ~~collaboration between the county and a wide range of~~
19 ~~organizations such as community-based organizations, schools,~~
20 ~~clinics, consumer advocates, labor organizations, and other safety~~
21 ~~net providers.~~

22 ~~(B) Identification and description of local strategies and~~
23 ~~innovations to be instituted in the two-year period following~~
24 ~~submission of the plan to promote children’s enrollment and~~
25 ~~retention in health care coverage programs and access to local~~
26 ~~and state public health care coverage programs and the utilization~~
27 ~~of those programs.~~

28 ~~(C) A proposed budget of all expenditures expected to be~~
29 ~~incurred in the two fiscal years for the county’s outreach,~~
30 ~~enrollment, and retention plan’s activities, expenses, services,~~
31 ~~materials, and support.~~

32 ~~(D) Identification and designation of a local fiscal agent for~~
33 ~~the purpose of receiving and distributing allocations under this~~
34 ~~section.~~

35 ~~(E) Establishment of an oversight, performance management~~
36 ~~and review program to ensure that the submitted county outreach,~~
37 ~~enrollment, and retention plan is properly implemented and~~
38 ~~administered. The review program shall also include outcome~~
39 ~~measures such as the number of children enrolled in health care~~
40 ~~coverage, the percentage of children retained in that coverage~~

1 after one year, if available, the number of children receiving
2 enrollment assistance who were denied coverage and the reasons
3 for the denial, and documented performance improvements in the
4 number of children accessing and remaining in health care
5 coverage. The evaluation shall document problems children face
6 in enrolling, remaining enrolled, or accessing health care
7 coverage, with recommendations for improving the California
8 Healthy Kids Insurance Program.

9 (3) A county outreach, enrollment, and retention plan may, but
10 is not required to, include the establishment, promotion, or
11 support of any of the following:

12 (A) A system for supplanting enrollment fees by certified
13 application assistants.

14 (B) A method of countywide application assistance training
15 and certification.

16 (C) Incentive payments to certified application assistants to
17 encourage enrollment of children in local and state public health
18 care coverage programs.

19 (D) Support for local participation in the automated enrollment
20 gateway established pursuant to Section 12694.2 of the Insurance
21 Code.

22 (E) The provision of grants to community-based organizations
23 for enrollment and retention assistance.

24 (F) Health care access education.

25 (G) Coordinated retention strategies.

26 (H) The creation of a premium hardship fund or sponsorship
27 programs to help children in the region to pay required premiums
28 for enrollment in the California Healthy Kids Insurance Program.

29 (I) Strategies for accessing health care coverage through
30 multiple public sources.

31 (J) Improvement to data collection and reporting systems.

32 (e) (1) In accordance with paragraph (2) of subdivision (b)
33 and in conjunction with the Managed Risk Medical Insurance
34 Board, the director shall establish the standards with which a
35 county outreach, enrollment, and retention plan shall comply for
36 the purposes of obtaining and using an allocation authorized by
37 this section.

38 (2) The director shall establish the procedures, including
39 specifying the timeframe during which a county may submit an
40 outreach, enrollment, and retention plan, and the format for

1 ~~submission of the county outreach, enrollment, and retention~~
2 ~~plan's request for a two-year allocation as authorized by this~~
3 ~~section.~~

4 ~~(3) In accordance with subparagraph (C) of paragraph (2) of~~
5 ~~subdivision (b), the director shall establish the procedures by~~
6 ~~which the county's allocation is distributed to the fiscal agent~~
7 ~~identified in each county's outreach, enrollment, and retention~~
8 ~~plan.~~

9 ~~(d) (1) Notwithstanding any other provision of law, the~~
10 ~~department may in a manner provided by the director, allocate an~~
11 ~~amount to fund the county's outreach, enrollment, and retention~~
12 ~~plan. The allocation shall be made to the fiscal agent designated~~
13 ~~in the plan. The total amount of all allocations shall not exceed~~
14 ~~the annual appropriation for the implementation of this section.~~

15 ~~(2) The director shall make an allocation to the fiscal agent~~
16 ~~designated in each county outreach, enrollment, and retention~~
17 ~~plan if the plan complies with the standards, procedures, and~~
18 ~~format described in subdivision (c).~~

19 ~~(3) Each county outreach, enrollment, and retention plan~~
20 ~~described in paragraph (2) shall receive a minimum baseline~~
21 ~~allocation as determined by the director in collaboration with the~~
22 ~~Managed Risk Medical Insurance Board. The county outreach,~~
23 ~~enrollment, and retention plan shall also receive an additional~~
24 ~~allocation based on the 2003 California Health Interview Survey~~
25 ~~estimated number of children without health care coverage in the~~
26 ~~county.~~

27 ~~(4) Funds remaining after the director makes allocations to~~
28 ~~counties described in paragraph (2) shall remain as part of the~~
29 ~~allocation program to be distributed in subsequent years to~~
30 ~~counties for the purposes described in this section.~~

31 ~~(e) No allocation shall be made under this section for any of~~
32 ~~the following:~~

33 ~~(1) Projects or programs not specifically identified and~~
34 ~~approved by the director as part of the county's submitted~~
35 ~~outreach, enrollment, and retention plan upon which the~~
36 ~~allocation was made.~~

37 ~~(2) Capital improvements.~~

38 ~~(3) The purchase or construction of land or buildings.~~

39 ~~(4) Work performed by the county, or entities receiving any of~~
40 ~~the allocation funds through the county, that is reimbursed by~~

1 allocation assistance fees, as provided for in Section 12693.32 of
2 the Insurance Code, or reimbursed by the Medi-Cal
3 Administrative Claiming process, as provided for in Section
4 14132.47.

5 (f) If an activity is eligible for funding by the Medi-Cal
6 Administrative Claiming process, an allocation under this section
7 shall be available only to the extent that it does not jeopardize the
8 receipt of federal matching funds. The allocations may only be
9 used to fund activities in accordance with the county's approved
10 outreach, enrollment, and retention plan and budget.

11 (g) The department may recover or withhold all or part of an
12 allocation for failure to comply with the standards set forth in the
13 county outreach, enrollment, and retention plan upon which the
14 allocation was based.

15 (h) The department shall reimburse a county pursuant to this
16 section in lieu of commencing a cooperative agreement or
17 contract with a county for the operation of the county's outreach,
18 enrollment, and retention plan.

19 (i) The department and the Managed Risk Medical Insurance
20 Board shall seek approval of any amendments to the state plan
21 necessary to implement this section for purposes of funding
22 under Title XIX (42 U.S.C. Sec. 1396 et seq.) and Title XXI (42
23 U.S.C. 1397aa et seq.) of the federal Social Security Act. It is the
24 intent of the Legislature that this section maximize federal
25 matching funds made available to the state for children's health
26 coverage under those provisions.

27 ~~SEC. 12.~~

28 *SEC. 10.* Notwithstanding any other provision of law,
29 Sections 2 and 3 of this act shall be implemented only to the
30 extent that funds are appropriated for the purposes of those
31 sections *this act* in the annual Budget Act or in another statute.
32 To the extent that funds are appropriated for only a portion of the
33 changes enacted pursuant to those sections of this act, those
34 changes for which funds are appropriated shall be implemented.

35 ~~SEC. 13.~~

36 *SEC. 11.* If the Commission on State Mandates determines
37 that this act contains costs mandated by the state, reimbursement
38 to local agencies and school districts for those costs shall be

- 1 made pursuant to Part 7 (commencing with Section 17500) of
- 2 Division 4 of Title 2 of the Government Code.

O